CITY OF NEVADA

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MEMORANDUM

TO: Mayor and City Council
FROM: Jordan Cook, City Administrator, and Lucas Battani, Finance Director / Assistant City Administrator
DATE: August 5, 2026
RE: Downtown Facade Improvement Project: keeping all eight buildings in after the bid overage

The short version: bids for the Downtown Facade Improvement Project came in above the architect's estimate. The state CDBG grant is capped at $650,000, so the increase falls on the local share. After the architecture firm negotiated the construction cost down, the building owners' combined share still rises from $310,908 to $549,242. At that level, the increase puts some addresses at risk of being pulled from the project. Covering half the increase materially lowers that risk and gives every project the best chance of moving forward. Staff recommends the City cover half of all owners' $238,334 increase, about **$119,167**. This recommendation fits within the funding the City already set aside for this project and requires no new appropriation. **As a reminder, this project is being paid for with Local Option Sales Tax, not property taxes.**

What happened

The project received a single bid, from Cornerstone Commercial Contractors, at $1,494,027 on June 16. Rebidding risked losing the construction season with no guarantee of a better price, so the architecture firm negotiated scope reductions with the contractor that bring the expected construction cost to $1,328,000. The contract will be awarded at the original bid amount and then reduced through change orders. The updated project budget:

Construction cost (negotiated, contingency removed)	$1,328,000.00
Architectural fees	$135,692.87
Permits / surveys / testing	$10,000.00
CDBG grant administration	$30,000.00
TOTAL PROJECT COST	**$1,503,692.87**
Less state CDBG grant (capped)	**($650,000.00)**
Remaining local share (City + owners)	**$853,692.87**

The state grant covers 50 percent of eligible costs up to a $650,000 maximum. Because that cap is fixed, every dollar of increase lands on the City and the building owners.

The two options

The remaining $853,692.87 is shared between the City and the eight participating owners. The tables below show each owner's cost under both options, and what each option costs the City.

Building	Original owner share	Owner pays, no extra assistance	Owner pays, with extra assistance
1028 6th St	$20,295.00	$60,175.50	$47,119.40
1032 6th St	$17,644.69	$47,251.44	$36,999.44
1038 6th St	$66,019.59	$131,939.34	$103,312.86
1104 6th St	$72,074.06	$81,781.31	$64,037.47
1110 6th St	$39,156.56	$53,915.81	$42,217.86
1122 6th St	$32,851.50	$42,808.50	$33,520.47
526 K Ave	$31,634.63	$70,595.13	$55,278.32
532 K Ave	$31,232.44	$60,775.44	$47,589.18
All eight buildings	**$310,908.47**	**$549,242.47**	**$430,075.00**

With extra assistance, the City covers $119,167 more in proportion to each project's size.

	No extra assistance	With extra assistance
Owners pay (total)	$549,242.47	$430,075.00
City pays (total)	$304,450.87	$423,617.87

Both options fit within the amount already budgeted. The extra assistance requires no new appropriation.

Why the extra assistance is worth it

- **It gives every project the best chance.** At the full $549,242, we can guarantee that one or two of the addresses would be dropped from the project. With assistance, most participating owners have confirmed they will move forward, and the project has a strong chance of staying largely whole, though one address may still be dropped and final scope decisions rest with each owner. Every address that falls out shrinks the finished streetscape, buys less with the state's matching dollars, and leaves gaps in the block. Every city dollar here is still matched by the state grant and the owners' own money.
- **It sets the standard for Main Street.** A revitalized historic downtown is one of the best ways to attract new business. Renovated buildings are what draw the next tenant, and a restored storefront is the difference between a space that sits empty and one a new business wants to move into.
- **The evidence backs it up.** A University of Wisconsin Extension and Wisconsin Main Street study of 24 completed storefront improvement projects found that more than 80 percent of businesses gained first-time customers and over 90 percent saw sales increase, by roughly 20 percent on average, with restaurants benefiting most. Projects ranged from under $3,000 to more than $600,000, and half used a local grant or loan program like this one. Previously vacant buildings became income-producing, property owners reported higher building values and rents, and improvements

repeatedly inspired neighboring owners to invest in their own buildings. Read the study at economicdevelopment.extension.wisc.edu/files/2021/08/G3914.pdf.

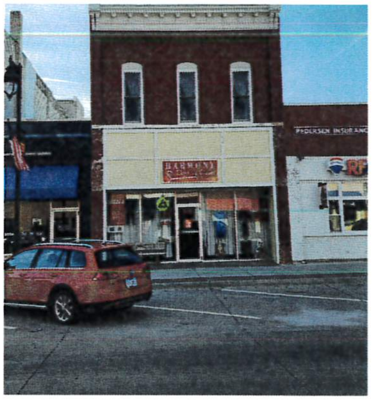
Requested action

Council direction at the next regular meeting to approve the extra assistance: the City covers half of the owners' $238,334 increase, an additional **$119,167** in **Local Option Sales Tax**, bringing the owners' combined share to $430,075. The contract would be awarded at the bid amount and reduced through change orders, with all participating owners recommitting at their revised shares and work finishing by the contractor's summer of 2027 completion date within the CDBG grant window.

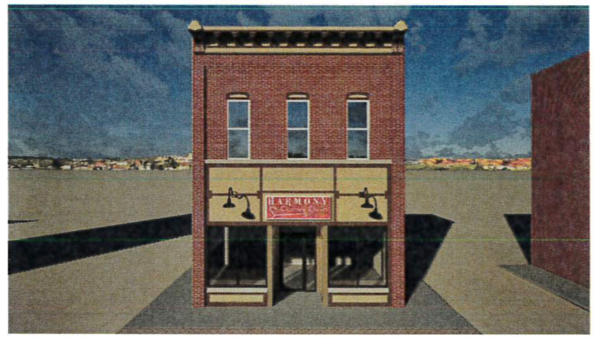
Before and After: what the project delivers

Renderings by Curtis Architecture & Design. Small adjustments may occur during construction.

1122 6th St (Harmony Clothing Closet)



BEFORE



AFTER

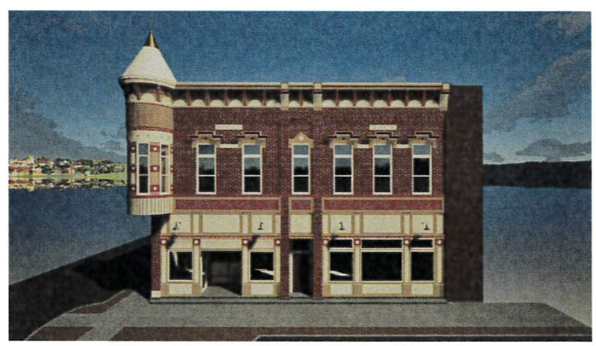
1110 6th St (Kockler Financial Center)

BEFORE

AFTER

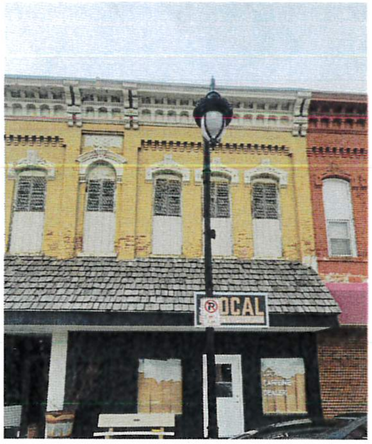
1104 6th St (Briggs Block)

BEFORE



AFTER

1028 6th St



BEFORE

AFTER

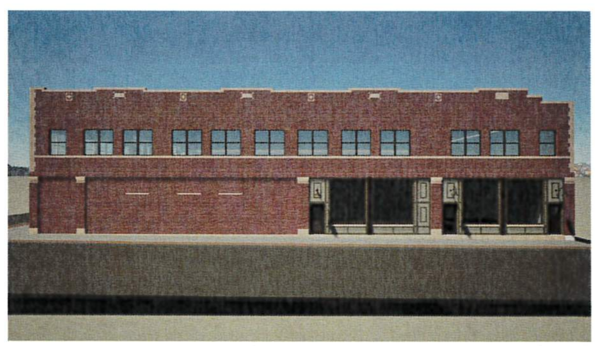
Ben Franklin building, 6th Street frontage

BEFORE

AFTER

Ben Franklin building, K Avenue side

BEFORE



AFTER

Worth remembering: *The Ben Franklin building a century ago, when it housed the Palace Theater. These buildings are original Nevada. This project keeps them working for the next century.*